G. R. S. 58]

Previous references.

1899-00.

~~191~~ .

(G.7.)

File No. 45.

Serial Nos. 1-19.

Later references.

GENERAL AND REVENUE SECRETARIAT.

P 24-E

Serial Nos.

~~Part~~ B for January 00

SUBJECT.

Over-draft on the Bank of Madras for 1900

Undated.
L. Srinivasa Rao

Registers are not forthcoming.

W D 1851—GPB—20,000—13-12-15

G.J.

45-99

1

Mysore, 9 November 1899.

To
G. D. Ker Esq, Secy & Treasurer
Bank of Madras
Madras

Dear Sir,

I find it necessary to convert into cash a portion of the Mysore State Investments in Government of India Securities and I shall feel much obliged for any advice you can give me as to the most favorable time to sell. I can wait till 31st January next, but is there any prospect of better prices then? Is there

any demand for Government Paper now and do you think you can effect a ready sale and at what probable rate?

Can you accommodate my State with a loan of 18 lacs for 3 months from 31st January to 30th April 1900, on the security of Government of India Securities and at what rate of interest? My object in asking for such a loan is to postpone the sale of

Government of India securities
till about 30th April by which
time, the price would I hope
rise to a reasonable figure.

I am
yours faithfully
S S. K. Schuster &c
Dawson Myers

P.S.
I hope to run to Amsterdam
on Sunday & I shall be glad to
get - if convenient then 2nd hd

ALL LETTERS TO BE ADDRESSED AND REMITTANCES MADE PAYABLE TO "THE BANK OF MADRAS"

Madras, 14th November 99

Sir K. Sheshadri Iyer, B.A. B.L., K.C.S.I.,
Dewan of Mysore,
Bangalore.

Dear Sir,

I am in receipt of your letter of 9th inst. informing me that you wish to realise a portion of the Mysore State investments in Government of India Securities, and enquiring as to the most favorable time to sell, so as to have cash available by 31st January.

The Government Paper Market during the past two months has been characterized by frequent and violent fluctuations, and is still in a very unsettled state, every telegram from the seat of war being made the occasion for a rise or fall according as it is favorable or the reverse. The fluctuations during the course of a single day have sometimes been as much as 2 %, On 3rd Oct. Paper touched 91-13, which was the lowest point reached; and since then it has recovered, with numerous ups and downs, to 94-12, which is the quotation to-day.

Yours.

From the foregoing you will understand that it is extremely difficult to advise as to the sale of the Paper you wish to realise. I doubt whether we shall see much higher prices between this and the end of January; and it is quite likely that we may see a further fall especially if the British Arms meet with any temporary reverse in South Africa. Moreover, the busy season is now approaching, and I hardly look for any substantial recovery in Paper till May or June I say this however, with some diffidence, for the unexpected has so often happened with regard to Government Securities, and it may happen again. As you have asked me however for an expression of my views, I make these observations.

Should you decide to sell Paper, I would advise your doing so <u>very gradually</u>, as the Market in its present state could not stand any large amounts being offered, without a heavy fall resulting. Should you decide to hold on and borrow money to tide you over the period of pressure, as suggested in the penultimate para of your letter, I shall be pleased to do all in my power to obtain the funds for you on as favorable terms as possible. I anticipate however a season of tight money, and had been hoping that the Mysore account would shew a substantial balance during the coming busy

busy months, and thus afford me some relief. Under the circumstances, you will understand that I shall have to look elsewhere for ways and means, and it will be necessary for your Government to give me authority to deal with your securities as on former occasions. I am unable to state at present what the rate of interest would be, as it is quite possible that we may experience a very stringent Money Market from January to May. I could not therefore now undertake to make the rate less than 2% over the Bank's minimum for the time being, as I myself may have to pay this rate, or something approaching it, to raise the funds.

I wish to add however that you may rely on my doing my best to finance your Government on the most favorable terms which the state of the Money Market will permit of. The extreme stringency which I have anticipated above may not occur, but I have thought it advisable to indicate to you the possibilities of the situation.

The question for you to consider is whether it will be more to the advantage of your Government to sell the Paper at such prices as may be obtainable between now and 31st January, or to borrow the money for the three months— 31st January to 30th April and run the risk

of

of having to pay interest for this period at a rate which may reach 12%, or possibly even higher. If the war in South Africa should be prolonged, it is not impossible that we may see a 9, or 10% rate in London; and anything like this would cause great stringency on this side.

If there are any other points on which you desire information, I shall be happy to reply to them, as far as I can.

I am, Dear Sir,
Yours faithfully

Secretary & Treasurer.

G.F.

3

This is better
investment & 12%
on 18 Shares now.

ALL LETTERS TO BE ADDRESSED AND REMITTANCES MADE PAYABLE TO THE BANK OF MADRAS.

10

G.J.

Bank of Madras.

Madras 21st Nov. 1899.

Sir K. Sheshadri Iyer, B.A., B.L., K.C.S.I.
Dewan of Mysore.
Bangalore.

6

Dear Sir,

Since writing to you on 13th inst. I have been making enquiries with a view to financing your Government in February, March and April; and, although negotiations are still incomplete, I am now hopeful of being in a position to advance you the loan required at 1% above the minimum rate, or possibly even at the Bank's minimum rate. I may say that the Bank does not look for a profit to itself on this transaction.

I am advising you of the arrangement I am endeavouring to make, as it may influence you in deciding whether to borrow or to sell Government Paper. There is a distinctly better feeling in the Government Paper Market, and during the past week there has been an advance of 1/2% in rates. The news from South Africa is more re-assuring and points to a more speedy termination of the War than seemed probable some weeks back. We may

therefore hope to escape the extreme stringency which I indicated in my previous letter as being possible. On the whole, I am not at present inclined to advise you to sell Paper. Sooner or later the Home Investor must realize the cheapness of this security and when this happens there will, I do not doubt be a rapid recovery from the present low level of prices.

I shall keep you advised of any material change in the position.

Yours faithfully.

Secretary & Treasurer.

Rec'd -

I was very glad to get
yr letter of yesterday
in continuation of yr
previous letter of 12
instant and
I note with much
satisfaction that U
informed of state of
the money market
since your first letter
was written enabling
you to effect arrangements
for the 3 months' loan
I want from 31 Jany next
on the footing & terms
lines indicated in your
present letter -
I accept those
terms with much
pleasure and
I have accordingly
abandoned
the idea of any
present selling of
Govt Securities -

Such an arrangement

Again thanking you
I remain
Yrs truly,

11

G.T.

15.99.

5

7

Bangalore,

22nd November 1899

To,

G. D. Ker, Esqre

Secretary and Treasurer

Bank of Madras - Madras

My dear Sir,

I was very glad to get your letter of yesterday in continuation of your previous letter of 13th instant. and I note with much

satisfaction that the improved state of the money market since your first letter was written enables you to agree to financing for the 3 months' loan I want from 31st January next on the favorable lines indicated in your present letter

I accept with much pleasure such an arrangement, and I have accordingly abandoned the idea of any present selling of Government Pro-Notes

Again

Again thanking you

I remain

Yours faithfully

Sd K Seshadri Iyer

Dewan of Mysore

ALL LETTERS TO BE ADDRESSED AND REMITTANCES MADE PAYABLE TO "THE BANK OF MADRAS."

8

Bank of Madras.

Madras. 7th Dec 1899.

Sir K. Sheshadri Iyer. B.A., B.L., K.C.S.I.
Dewan of Mysore.
Bangalore.

Dear Sir,

I duly received your letter of 22nd ulto. I have not yet been able to make definite arrangements with regard to the loan required by your Government at the end of January; but you may rely on my doing the best I can for you.

Money continues to be dear in the London Market, the Bank of England rate being now 6%, a rate which has not been touched since January 1890.

Government Paper further improved to 97.8 since I last wrote, but has since receded to 97, which is the quotation to-day.

I hope to be up in Bangalore during the Christmas holidays, and shall take advantage of the opportunity to call upon you, and talk matters over, if you are in Bangalore at the time.

Yours faithfully

Secretary & Treasurer.

Bangalore
D ~~Do~~
11. December 1899.

9

Dear Sir

I thank you for your letter of the 7th Inst. and the assurance contained therein and I shall be glad to meet you here during the Christmas holidays ~~When~~ I hope I would be able to hear from you from within a week or earlier, of an assured arrangement in connection with the loan required by the State.

Yours faithfully

ALL LETTERS TO BE ADDRESSED AND REMITTANCES MADE PAYABLE TO THE BANK OF MADRAS.

10

Bank of Madras.

Madras, 12th Dec. 1899.

Sir K. Sheshadri Iyer, B.A., B.L., K.C.S.I.
Dewan of Mysore,
Bangalore.

Dear Sir,

I am in receipt of your letter of 11th inst. and in reply beg to inform you that the application of your State for a loan of 18 lacs for three months from 31st January to 30th April 1900 will be laid before my Directors at their next meeting on 18th inst. when I hope to advise you definitely as to the terms on which the loan will be granted.

Yours faithfully.

Secretary & Treasurer.

11

ALL LETTERS TO BE ADDRESSED AND REMITTANCES MADE PAYABLE TO "THE BANK OF MADRAS."

Bank of Madras.

Madras. 19th Dec 1899

Sir K. Sheshadri Iyer. B.A, B.L. K.C.S.I.
Dewan of Mysore.
Bangalore.

Dear Sir,

Referring to previous correspondence, I trust that the arrangement sanctioned by my Board, and communicated to you in my letter of this date, will be satisfactory to you.

In view of the state of the Money Market in London, and the uncertainty as to the outlook, which is likely to make itself felt on this side, my Directors felt that they were unable to bind this Bank to so large an advance at the height of the busy season. I am proceeding to Calcutta on Friday next on Bank business, and while there will make enquiries as to the cheapest means of obtaining the loan for you, in the event of this Bank not being able to advance the amount itself.

On my return from Calcutta, I will communicate with you again.

Yours faithfully

Secretary & Treasurer

P.L. 113/134

ALL LETTERS TO BE ADDRESSED AND REMITTANCES MADE PAYABLE TO "THE BANK OF MADRAS"

Bank of Madras. 12

Madras. 19th Dec. 1899.

Sir K. Sheshadri Iyer. B.A., B.L., K.C.I.E.
Dewan of Mysore.
Bangalore.

Sir,

Your letter of 9th ults: applying for a loan of 18 lacs against Government securities, for three months from 31st Jany, was laid before my Board at the meeting last evening.

My Directors are very desirous of meeting the wishes of your Government in this matter; and, if practicable, will make the advance to you at the Bank's minimum rate for the time being. The financial outlook however is such, that my Directors anticipate that it may not be possible for this Bank to spare so large a sum at the height of the busy season, and in this case it would be necessary to look elsewhere for ways and means to finance your Government.

The present unsettled state of the Money Market, which is in a great measure due to the uncertainty as to a speedy termination of the War in South Africa, makes it impracticable to

to say now at what rate of interest a loan can be raised for the period you require it; but I am desired by my Board to say that you may rely on the Bank using its best efforts to meet your wishes on the most favourable terms procurable.

Yours faithfully

F. W. Fraser

Secretary-Treasurer.

No 57
D.C.

Reply

Thanks the Bank for their receipt of your letter No 113 of 15th inst. and while thanking the Bank for their Courteous promise to use their best efforts to meet my wishes I am naturally anxious to have a firm Agreement that the sum of £1.8 lacs will be forthcoming punctually on the 31st January 1900, in order for paying the first instalment of the Subsidy which has to be paid punctually on that day. Under such Circumstances I beg to have the favour of a definite arrangement by Saturday by the 6th Proxo. On that day I shall be in Madras and can transfer the Govt of India Securities of the requisite amount in favour of the Bank. A reply would oblige

29/12/99

Before I start for Calcutta which I intend to do by Steamer Dalhousie from Madras on the 7th January 1900

Do

29th Dec 1899.

13

Dear Sir,

I did not reply earlier to thank you for your letter of 19th instant as you said you were going to Calcutta. I hope you have now returned and are able to give the ~~effect~~ definite settlement about the loan.

I enclose an official reply and remain

Yours faithfully
S. H. Sheshadri Iyer.

No. 57
D.C.

Office of the Dewan of Mysore
D/ Bangalore,
29th Dec 1899.
Dispd 29/12

14

To,
G. D. Ker Esquire
Secretary and Treasurer
Bank of Madras
Madras

Sir,

I have the honor to acknowledge the receipt of your letter No. P.L 113/134 dated, Madras 19th Decem-ber 1899. While thank-ing the Bank for their courteous promise to use their best efforts to meet my wishes I am natural-ly anxious, before I start for Calcutta which I in-tend to do by Steamer Dupleix from Madras on the 4th January 1900,

to have a firm agree-
-ment that the sum of
18 lakhs will be forth-
coming on the 31st January
1900 for paying the first
instalment of the Subsi-
-dy which has to be
paid punctually on that
day. Under such cir-
-cumstances may I
beg to have the favor of
a definite arrangement
by Saturday the 6th Proxi-
mo. On that day I
shall be in Madras and
can transfer the Govt of
India Securities of the
required amount in
favour of the Bank.

A reply will oblige

I have &c.

Sd. K. Sheshadri Iyer

Dewan

ALL LETTERS TO BE ADDRESSED AND REMITTANCES MADE PAYABLE TO "THE BANK OF MADRAS."

Private

Bank of Madras. 15

Madras 3rd January 1900

Sir K. Sheshadri Iyer K.C.S.I.
Dewan of Mysore
Bangalore

Sir,

On my return from Calcutta this day received your letter of 29th ult: and have wired you as follows:- "Your letter 29th received today on my "return from Calcutta. Shall be glad to see "you Saturday and arrange matter definitely," which I now confirm.

I fully understand your desire to have this matter definitely settled before your departure to Calcutta and I hope that when I see you on Saturday I shall be able to arrange the matter to your satisfaction.

I have the honor to be,
Sir
Your obedient Servant.

Secretary & Treasurer

ALL LETTERS TO BE ADDRESSED AND REMITTANCES MADE PAYABLE TO "THE BANK OF MADRAS."

Bank of Madras. 16

Madras 4th January 1900.

Sir K. Seshadri Iyer K.C.S.I.
Dewan of Mysore.

Dear Sir.

With reference to your private Secretary's letter of 3rd inst I shall be happy to see you on Friday morning between 11 & 1.0'clock, or in the afternoon between 3 & 4 as may be most convenient to you.

I shall have the Government Paper ready for your endorsement.

I have the honor to be
Sir
Your obedient Servant

Secretary & Treasurer.

Start by Lin
Down W. coast
Come Thu 4 P.M.
6/1/00

Madras.
5th January 1901

17

The Secretary & Treasurer.
Bank of Madras.
Madras.

Dear Sir,

Referring to the loan of 10 lacs required by the Mysore State for 3 months from 31st January, I shall be much obliged if you endorse in favor of the Bank, Government Securities, as per memo annexed, (now in safe custody of the Bank) amounting to Rs 22,00,000 to be held as security for the advance.

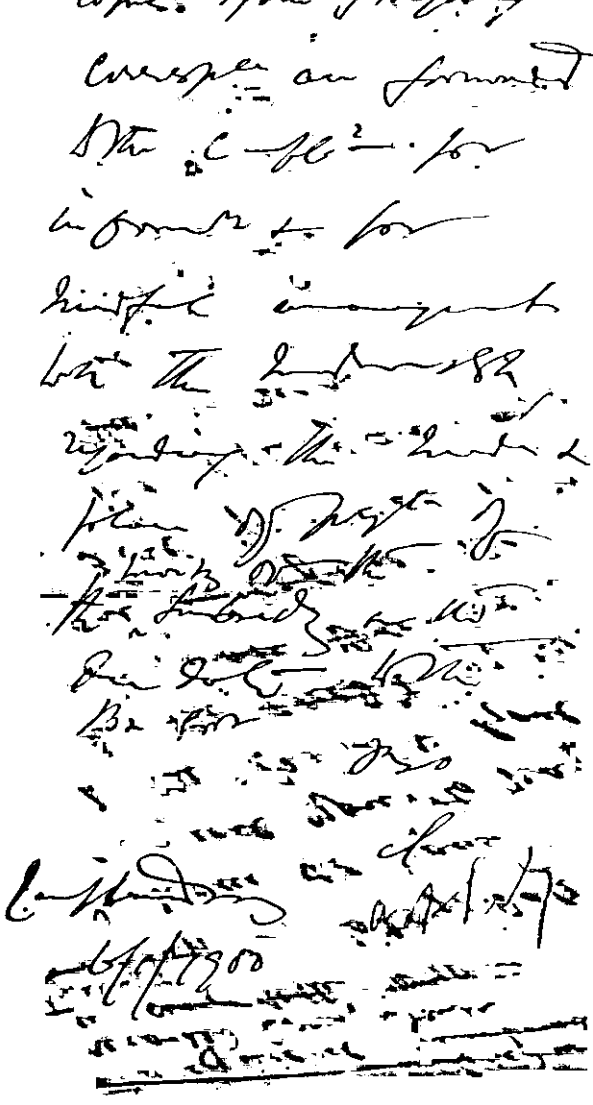
It is understood that the Bank is at liberty to pledge the loan in any way it may deem advisable for the purpose of raising money during the period the loan is running. The rate of interest to be charged on the loan will be the Bank minimum rate for the time being and it is expressly agreed that, should the Bank find it inconvenient to provide the funds, it is to be at liberty, at any time during the currency of the loan, to raise the money on any portion of it on behalf of the Mysore State in London Market, in which event the risk in sterling exchange will be taken by the Mysore Government, the Bank merely acting as it agent in the matter. The Bank is to use its discretion as to closing rate at which to buy the money out from London, and to remit it back again, charging the Mysore State only the actual interest paid plus any loss in exchange.

Yours faithfully,
V. Krishnaswamy Iyer
Dewan of Mysore.

5/1/1900

To The Secy of Treasy
Bank of Bengal
Calcutta.

With reference to the
[illegible] advised with
an account current rendered
as per letter of
between us
of latest date
I have the honor to
request you to pay
to the credit of the
Imperial Govt
on or before the
31st January 1900,
Rs 17/2 Lacs of which
a moiety of
the Calcutta Mint
Bill on demand; the balance
of Rs 5 0000 being
placed to my
credit on your
Bank. — (Sd) / HM



136. Madras
5th January 1900

18

To.

The Secretary and Treasurer.
Bank of Madras. Madras.

Sir,

With reference to the arrangement entered into as recorded in correspondence between us of today's date I have the honor to request you to pay to the British Government on the 31st January 1900, Rs 17½ lakhs being a moiety of the subsidy due by the Mysore Durbar on that date; the balance of Rs 50,000 being placed to my credit in your Bank.

I have &c:
Sd. K. Seshadri Iyer
Dewan.

Copies of the foregoing correspondence are forwarded to the Comptroller for information and for needful arrangement with the Madras Bank regarding the mode and place of payment of the moiety of the Subsidy on the due date to the British Government.

By Order
Sd. C. Srikanteswara Aiya
Asst Secretary

Camp Madras
6/1/1900

AL 114 P/3

ALL LETTERS TO BE ADDRESSED AND REMITTANCES MADE PAYABLE TO "THE BANK OF MADRAS"

Bank of Madras. 172

Mysore 6th Jan: 1900

Sir K. Sheshadri Iyer. K.C.S.I.
The Dewan of Mysore
Bangalore

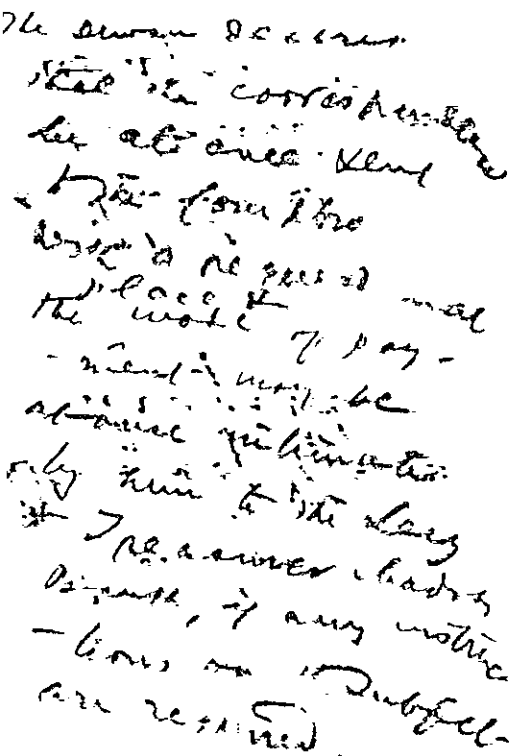
Sir,

I have the honor to acknowledge receipt of your letters of 5th inst, and of the 7 3½ % Govt Promissory Notes aggregating Rs 20.00.000 as particularized therein.

As requested, we will grant you an advance of Rs 18.00.000 against this security on 31st inst, on the terms arranged; and we note to pay the sum of Rs 17.50.000 on that date to the Madras Government on account of subsidy due by the Mysore State to the British Government. The balance, viz, Rs 50.000 will be credited to your account at this Office.

I have the honor to be
Sir,
Your most obedient Servant

Secretary & Treasurer



Serial No.	Letter. No	Letter. Date.	From whom.	To whom.
1	D.O.	9. 11. 99	Sir K. Seshadri Iyer, Dewan	Secy. & Treasurer, Madras Bank
2.	D.O.	13. 11. 99	Secy. & Treas[r], Madras Bank	Dewan
3.	D.O.	in Pencil	Comptroller	Mr. C. Srikanteswara Iyer
4.	Not issued draft		Dewan.	Secy. & Treas[r], Madras Bk
5.	do		do	do
6.	D.O.	21. 11. 99	Secy. & Treas[r], Madras Bk	Dewan
7.	D.O.	22. 11. 99	Dewan	Secy. & Treas[r], Madras Bk.
8.	D.O.	7. 12. 99	Secy. & Treas[r], Madras Bk	Dewan
9.	D.O.	11. 12. 99	Dewan	Secy. & Treas[r] Madras Bk
10.	D.O.	12. 12. 99	Secy. & Treas[r], Madras Bk	Dewan.
11.	D.O.	19. 12. 99	do	do
12.	P.P. 113/134	do	do	do
13	D.O.	29. 12. 99	Dewan	Secy. & Treas[r], Madras Bk
14.	57 D.C.	do	do	do
15.	D.O.	3. 1. 00	Secy. & Treas[r], Madras Bk	Dewan
16.	D.O.	4. 1. 00	do	do
17.	D.O.	5. 1. 00	Dewan	Secy. & Treas[r], Madras Bk.
18.	D.O.	do	do	do
19.	A.P. 114/13	6. 1. 00	Secy. & Treas[r], Madras Bk	Dewan